



ATLANTA AND WEST POINT RAIL ROAD COMPANY / ANNUAL REPORT / 1967

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CONTENTS

1967 ANNUAL REPORT

DIRECTORS AND STAFF	1
PRESIDENT AND GENERAL MANAGER'S REPORT	2
MAP	4
STATISTICAL GRAPHS	5
MILEAGE OPERATED	6
RAILWAY TAX ACCRUALS	6
ACCOUNTANTS' OPINION	7
BALANCE SHEET	8
INCOME STATEMENT	10
STATEMENT OF RETAINED INCOME	11
OPERATING EXPENSES	12
EXPENSE AND REVENUE STATISTICS	14
CLASSIFICATION OF FREIGHT TRAFFIC	15
FREIGHT AND PASSENGER STATISTICS	16
TRAIN, LOCOMOTIVE AND CAR MILES	17
PROPERTIES	18
EQUIPMENT	19

1967

ANNUAL REPORT OF THE ATLANTA AND WEST POINT RAIL ROAD COMPANY
FOR THE YEAR ENDED DECEMBER 31, 1967

Board of Directors

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Executive Committee

the Staff

J. ARCH AVARY, JR., *Atlanta, Georgia*
EDWARD G. COLE, JR., *Newnan, Georgia*
JOHN W. DENT, *Atlanta, Georgia*
WILLIAM H. KENDALL, *Louisville, Kentucky*
JOSEPH L. LANIER, *West Point, Georgia*
J. CLYDE MIXON, *Atlanta, Georgia*
CARL J. REITH, *Atlanta, Georgia*
W. THOMAS RICE, *Jacksonville, Florida*
DONALD D. STRENCH, *Atlanta, Georgia*

WILLIAM H. KENDALL
W. THOMAS RICE
DONALD D. STRENCH

DONALD D. STRENCH, *President and General Manager*
TIMOTHY C. BULLARD, *Secretary and Treasurer*
JOHN E. MACCARTHY, *Comptroller*
KENNETH C. DUFFORD, *General Superintendent-Chief Engineer*
EDGAR J. HALEY, *Chief Mechanical Officer*
TRAVIS P. KING, *Director of Personnel*
HENRY W. BRAY, *Purchasing Agent*
ALBERT A. WARD, JR., *General Passenger Agent*
JOSEPH E. SAUCIER, *Manager of Industrial Development*
HERBERT B. BAINBRIDGE, *Real Estate Agent*
WILBUR T. MARTIN, *Chief Traffic Officer — Sales*
T. LESLIE SMITH, *Chief Traffic Officer — Marketing and Research*
HEYMAN AND SIZEMORE, *General Counsel*

REPORT TO OUR STOCKHOLDERS

Fellow Stockholders of the Atlanta and West Point Rail Road Company:

We are pleased to report that your Company continued to maintain the strong financial condition it has enjoyed in the past. Although there was an operating deficit, due principally to increased labor costs and high cost of equipment rentals, we enjoyed a modest profit. The consistency of the Company's dividend policy was continued during the year with the payment of \$2.00 a share as of August 1, and \$2.00 a share as of December 6.

Freight traffic for the year continued to improve, with a total freight revenue of \$3,192,310.81, an increase of \$85,544.35 over 1966, or 2.8 percent. Passenger, mail, baggage and express revenues continued to decline; however, the discontinuance of two deficit passenger trains in 1966 and controlled operating expenses in 1967 enabled us to obtain a ratio of passenger and allied revenues to expenses approximating that of last year.

Wage increases and fringe benefits secured by railroad employees added substantially to the cost of providing rail service. These extra costs were somewhat offset by greater efficiency and the application of better methods and machinery, resulting in an operating ratio of 84.90.

A plan for the establishment of a central maintenance shop in Atlanta, Georgia, approved by your Board of Directors in 1967, is being progressed. This, along with other reorganization and improvement plans, should place our maintenance of locomotives and equipment on a modern and efficient basis.

The addition of one GP-40, 3000 h.p. diesel electric locomotive not only provides added power for traffic requirements but will assist in the reduction of locomotive maintenance and repairs.

Increased freight traffic resulted in higher rental expenses for cars of other railroad ownership and private line equipment. Our car rehabilitation program is being accelerated to reduce this expense.

Operating expenses for the year decreased by 3.5 percent from 1966, including a reduction of 7.0 percent in transportation costs.

Capital improvements in communication, maintenance of way and allied equipment, enabled us to maintain a more effective control over expenses. The first steps in system-wide radio coverage were taken with the installation of a VHF base radio station remote control system, giving instantaneous communication between dispatcher and trains on the entire line through installations at Newnan and LaGrange, Georgia. Roadway maintenance was given increased emphasis, with 1.93 miles of new 115 pound rail laid, releasing 100 pound relay material for industrial sidings and passing tracks. The mechanization of roadway activities was further improved by the purchase, in partnership with The Western Railway

of Alabama and the Georgia Railroad, of a Junior Electromatic Tamper, Quick-way Crane mounted on truck, a front-end loader, and a tractor with backhoe.

Our electronic data processing program was expanded with the installation of an I.B.M. 360 model 20 computer, which will enable us to apply computer techniques in the field of accounting and traffic statistics, and afford a more coordinated use of freight car equipment. In the coming years this program will produce timely, meaningful analyses of operations which will permit operating personnel to rapidly detect areas of below-standard performance and to take corrective action.

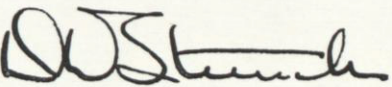
Entering 1968, your Company is prepared to play an expanding role in the economic development of the territory it serves. Economic growth in this area is evident in the improvement and enlargement of existing plants and facilities along our railroad.

After many years of loyal and efficient service, several members of our staff retired during 1967. Among these were A. P. McElroy, General Passenger Agent; John G. Dicks, Car Accountant; and A. L. Stokes, Assistant Auditor of Receipts (Rates and Divisions). Early in 1968 J. B. Wilson retired as Chief Engineer.

K. C. Dufford was appointed as General Superintendent-Chief Engineer, and E. J. Haley was appointed Chief Mechanical Officer.

It is with regret we report the death of R. L. Parker, General Agent at Birmingham, Alabama.

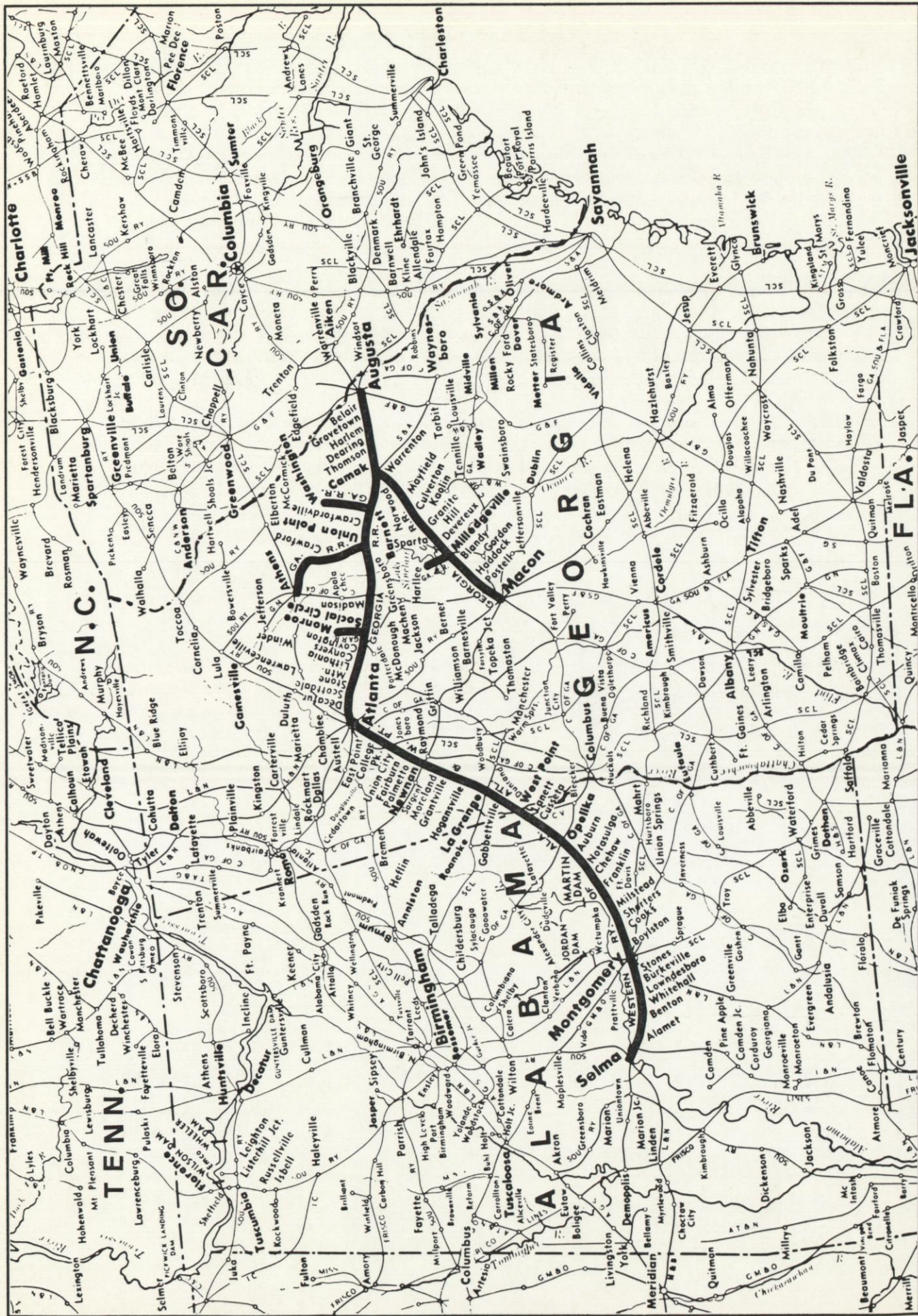
The people on the Atlanta and West Point Rail Road are among the best in the industry. They are responsible for your Company's past achievements, and their support will be reflected in the A&WP's performance in the years to come. For their contribution and loyalty, we are grateful.



President and General Manager

Atlanta, Georgia

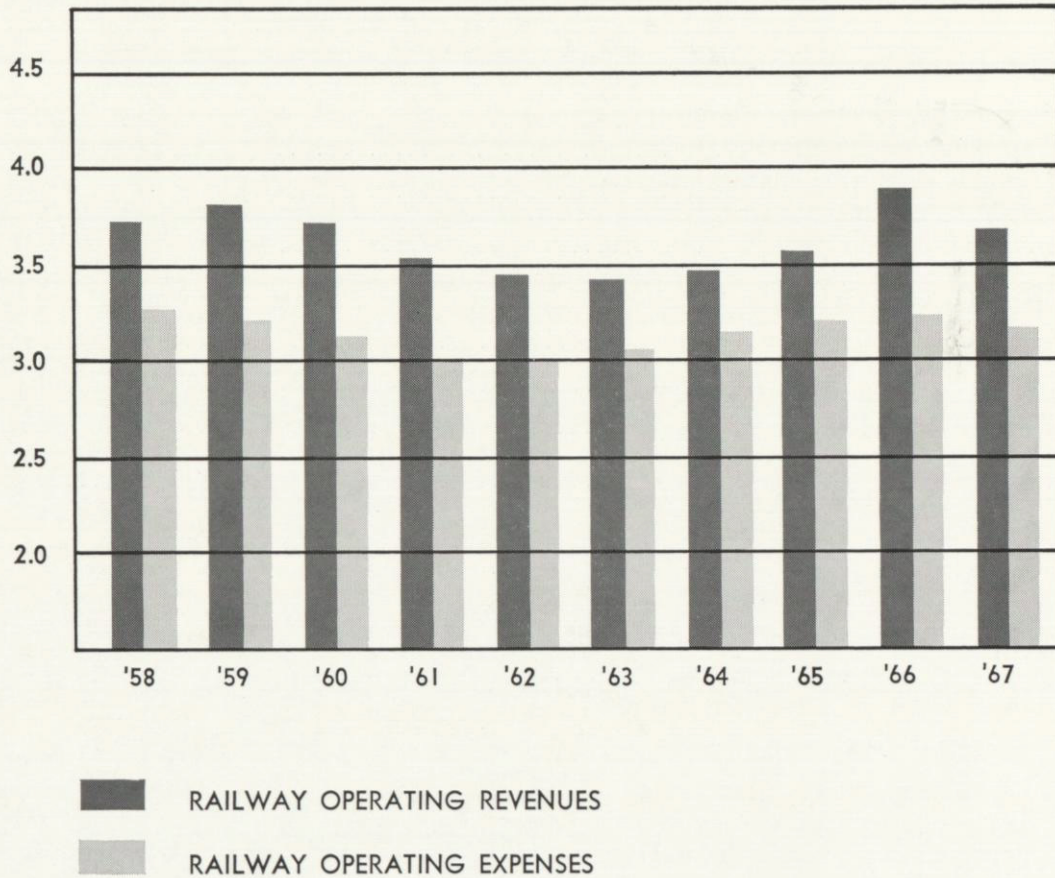
April 23, 1968



Atlanta and West Point Rail Road Company / The Western Railway of Alabama / Georgia Railroad

**RELATIONSHIP BETWEEN OPERATING
REVENUES AND EXPENSES BY YEARS
1958 TO 1967**

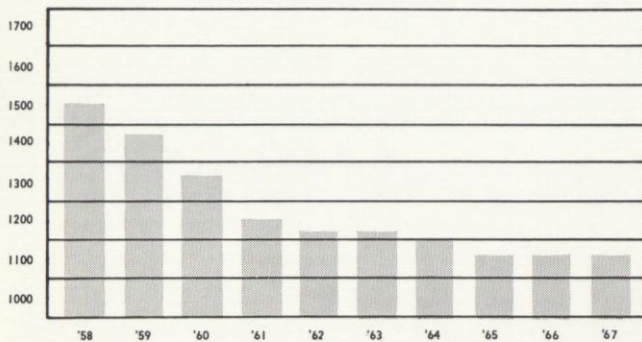
MILLIONS OF DOLLARS



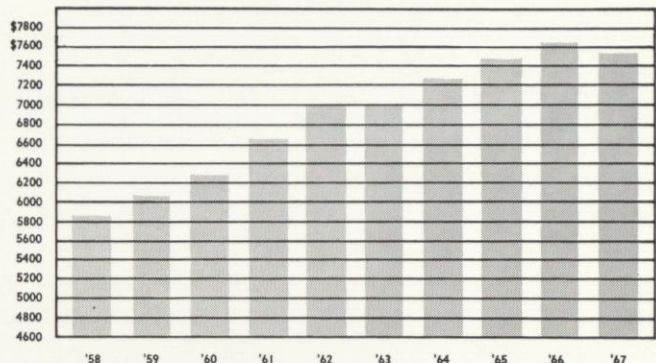
CHARTS REPRESENT TOTALS OF JOINTLY OPERATED LINES

Atlanta and West Point Rail Road Company
The Western Railway of Alabama
Georgia Railroad

AVERAGE NUMBER OF EMPLOYEES
1958-1967



AVERAGE COMPENSATION PER EMPLOYEE
1958-1967



MILEAGE OPERATED

Miles of road operated at December 31, 1967:

MAIN LINE:

Atlanta to West Point.....	85.72		
Less—Leased to Atlanta Terminal Company.....	0.10	85.62	
Hulsey Junction to Oakland City.....		5.16	90.78

TRACKAGE RIGHTS:

Atlanta Terminal Company, Atlanta.....	0.46		
Central of Georgia Railway, Oakland Junction.....	0.05		
Georgia Railroad (Atlanta Joint Terminals).....	2.02		2.53
Total mileage operated.....			93.31

Total mileage operated in freight and passenger service was 90.44 and 86.08 miles, respectively.

TAXES

			Increase —Decrease	
	1967	1966	Amount	Per Cent
UNITED STATES GOVERNMENT TAXES:				
Railroad Retirement.....	\$ 109,030	\$ 104,579	\$ 4,451	4.26
Unemployment Insurance.....	36,579	40,281	—3,702	—9.19
Other.....	153	1,565	—1,412	—90.22
Total.....	145,762	146,425	—663	—0.45
STATE AND LOCAL TAXES:				
Property.....	47,140	53,164	—6,024	—11.33
Sales and use.....	24,924	20,105	4,819	23.97
Other.....	2,140	2,941	—801	—27.24
Total.....	74,204	76,210	—2,006	—2.63
TOTAL.....	219,966	222,635	—2,669	—1.20
Taxes on nonoperating property.....	12,420	12,383	37	0.30
GRAND TOTAL.....	\$ 232,386	\$ 235,018	\$ —2,632	—1.12

HASKINS & SELLS

ACCOUNTANTS

ATLANTA

ACCOUNTANTS' OPINION

Atlanta and West Point Rail Road Company:

We have examined the balance sheet of Atlanta and West Point Rail Road Company as of December 31, 1967 and the related statements of income and of retained income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Company maintains its accounts in conformity with the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission and the accompanying financial statements have been prepared in accordance therewith. As explained in Note 1, the provisions of such system vary in certain respects from generally accepted accounting principles.

Hire of Freight Cars—Net, included in the Statement of Income, was estimated to be approximately \$175,000 for the year ended December 31, 1967. In our opinion, such estimated expense was approximately 238,000. If this amount had been recorded, the net loss for the year would have been approximately \$36,000.

In our opinion, with the exceptions referred to in the preceding paragraphs, the accompanying financial statements present fairly the financial position of the Company at December 31, 1967 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells

April 15, 1968

BALANCE SHEET
ASSETS

	December 31	
	1967	1966
CURRENT ASSETS:		
Cash.....	\$ 151,922.39	\$ 234,667.15
Temporary cash investments.....	684,555.00	784,480.00
Net balance receivable from agents.....	89,879.00	70,453.76
Miscellaneous accounts receivable.....	134,557.35	42,233.32
Accrued accounts receivable.....	38,131.21	40,508.51
Material and supplies.....	212,356.36	201,526.80
Prepayments and other current assets.....	9,763.39	10,334.54
Total.....	1,321,164.70	1,384,204.08
SPECIAL FUND:		
Insurance.....	2,524.86	2,409.47
INVESTMENTS:		
Investments in affiliated companies.....	233,564.82	233,050.13
PROPERTIES:		
Transportation—		
Road and equipment.....	11,256,722.63	11,308,146.77
Less accrued depreciation and amortization.....	5,171,245.63	5,222,820.62
Total transportation property, less recorded depreciation and amortization.....	6,085,477.00	6,085,326.15
Miscellaneous.....	814,689.84	774,736.84
Less accrued depreciation.....	174,104.71	174,104.71
Total miscellaneous property, less recorded depreciation.....	640,585.13	600,632.13
Total properties, less recorded depreciation and amortization.....	6,726,062.13	6,685,958.28
OTHER ASSETS AND DEFERRED CHARGES:		
Other assets.....	32,348.39	28,701.61
Deferred charges.....	165,957.55	29,676.91
Total.....	198,305.94	58,378.52
TOTAL.....	\$ 8,481,622.45	\$ 8,364,000.48

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31	
	1967	1966
CURRENT LIABILITIES:		
Traffic and car-service balances—net.....	\$ 214,025.89	\$ 11,131.27
Audited accounts payable.....	146,106.38	180,036.74
Miscellaneous accounts payable.....	14.52	142,362.44
Unmatured interest accrued.....	3,127.81	1,345.43
Accrued accounts payable.....	278,832.43	229,910.37
Taxes accrued.....	3,078.97	2,350.46
Total (exclusive of long-term debt due within one year).....	645,186.00	567,136.71
LONG-TERM DEBT DUE WITHIN ONE YEAR:		
Equipment obligations.....	128,996.32	148,959.32
LONG-TERM DEBT:		
Equipment obligations.....	1,121,459.35	1,041,202.67
RESERVE:		
Insurance.....	125,782.13	125,152.37
OTHER LIABILITIES AND DEFERRED CREDITS:		
Other liabilities.....	36,640.68	37,338.40
Deferred credits.....	151,242.22	100,113.26
Total.....	187,882.90	137,451.66
SHAREHOLDERS' EQUITY:		
Capital stock—authorized, 25,000 shares of \$100 par value each; outstanding, 24,636 shares.....	2,463,600.00	2,463,600.00
Retained income.....	3,808,715.75	3,880,497.75
Total.....	6,272,315.75	6,344,097.75
TOTAL	\$ 8,481,622.45	\$ 8,364,000.48

See the accompanying Notes to Financial Statements.

STATEMENT OF INCOME

OPERATING INCOME:	1967	1966	Increase or Decrease
Railway Operating Income:			
Railway operating revenues.....	\$ 3,652,544.33	\$ 3,793,252.11	\$ —140,707.78
Railway operating expenses.....	3,101,041.39	3,213,002.49	—111,961.10
Net revenue from railway operations.....	551,502.94	580,249.62	—28,746.68
Railway tax accruals.....	219,966.04	222,635.46	—2,669.42
Railway operating income.....	331,536.90	357,614.16	—26,077.26
Rent Income:			
Rent from locomotives.....	25,670.51	6,286.74	19,383.77
Rent from passenger-train cars.....	42,109.46	46,574.76	—4,465.30
Rent from work equipment.....	7,919.50	7,942.16	—22.66
Joint facility rent income.....	19,733.62	19,210.73	522.89
Total rent income.....	95,433.09	80,014.39	15,418.70
Rent Payable:			
Hire of freight cars—net.....	174,510.29	97,832.06	76,678.23
Rent for locomotives.....	12,395.02	13,130.99	—735.97
Rent for passenger-train cars.....	45,766.40	68,129.68	—22,363.28
Rent for work equipment.....	2,606.23	2,841.62	—235.39
Joint facility rents.....	223,691.69	253,201.49	—29,509.80
Total rent payable.....	458,969.63	435,135.84	23,833.79
Net rent payable.....	363,536.54	355,121.45	—8,415.09
Net railway operating income.....	—31,999.64	2,492.71	—34,492.35
OTHER INCOME:			
Miscellaneous rents.....	54,430.82	53,411.74	1,019.08
Income from nonoperating property.....	35,193.67	37,381.16	—2,187.49
Dividends.....	2,000.00	2,000.00	
Interest.....	43,847.69	43,087.91	759.78
Miscellaneous, property sales, etc.....	729.00	91,904.88	—91,175.88
Total other income.....	136,201.18	227,785.69	—91,584.51
Total income.....	104,201.54	230,278.40	—126,076.86
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
Rents.....	—2,891.05	5,662.74	—8,553.79
Tax accruals.....	12,420.16	12,383.32	36.84
Income charges.....	11,525.73	2,470.71	9,055.02
Total miscellaneous deductions.....	21,054.84	20,516.77	538.07
Income available for fixed charges.....	83,146.70	209,761.63	—126,614.93
FIXED CHARGES:			
Interest on funded debt.....	56,334.70	55,723.95	610.75
Amortization of discount on funded debt.....	50.00		50.00
Total fixed charges.....	56,384.70	55,723.95	660.75
NET INCOME	\$ 26,762.00	\$ 154,037.68	\$ —127,275.68
Net income per share of stock.....	1.09	6.25	—5.16

—Decrease.

See the accompanying Notes to Financial Statements.

STATEMENT OF RETAINED INCOME

CREDITS

Retained income, January 1, 1967.....	\$ 3,880,497.75
Net income for the year.....	26,762.00
	<u>3,907,259.75</u>

DEBITS

Dividends to shareholders:		
\$2 a share paid August 1, 1967.....	\$ 49,272.00	
\$2 a share paid December 6, 1967.....	49,272.00	98,544.00
Retained income, December 31, 1967.....		<u>\$ 3,808,715.75</u>

NOTES TO FINANCIAL STATEMENTS

1. The provisions of the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission vary from generally accepted accounting principles in that, under the Uniform System, no accounting recognition is given to the possible effect on income taxes in future years of current reductions in income taxes resulting from the deductions for amortization and depreciation of property for income tax purposes in excess of the amounts recorded in the accounts. The cumulative amount of such reductions in income taxes included in retained income at December 31, 1967 was \$578,000, of which \$18,000 was included in net income for the year 1967.
2. The Company, together with Southern Railway Company and Central of Georgia Railway Company, jointly and severally guarantees unconditionally the payment of principal and interest of the first mortgage series A, 4% bonds of Atlanta Terminal Company due August 1, 1969, of which \$210,000 were outstanding at December 31, 1967.
3. The Company has an unfunded, non-contributory pension plan for officers and supervisory employees but reserves the right to discontinue the plan at any time. Related charges to operating expenses in 1967 and 1966, representing amounts paid to retired employees, were approximately \$14,000 and \$10,000, respectively. The effect on the accompanying financial statements of the amounts required to provide for current and past service pension costs would not have been material.
4. The Company carries a service interruption policy under which it will be entitled to indemnity for certain work stoppage losses. In the event such losses are sustained by other railroads holding similar policies, the Company may be obligated to pay additional premiums, subject to a maximum premium of \$50,000.

OPERATING EXPENSES

ACCOUNT	1967	1966	Increase or Decrease
Maintenance of Way and Structures:			
201 Superintendence.....	\$ 42,252.18	\$ 36,816.59	\$ 5,435.59
202 Roadway maintenance.....	26,334.54	28,176.83	-1,842.29
208 Bridges, trestles and culverts.....	689.95	3,327.85	-2,637.90
212 Ties.....	31,373.73	5,185.05	26,188.68
214 Rails.....	2,674.14	3,793.79	-1,119.65
216 Other track material.....	483.43	-213.04	696.47
218 Ballast.....	13,712.95	16,093.89	-2,380.94
220 Track laying and surfacing.....	45,719.87	56,215.09	-10,495.22
221 Fences, snowsheds, and signs.....	16.67	79.97	-63.30
227 Station and office buildings.....	4,185.60	5,323.73	-1,138.13
229 Roadway buildings.....	1,864.68	937.80	926.88
233 Fuel stations.....	40.47	4.84	35.63
235 Shops and enginehouses.....	19.88	-5.74	25.62
247 Communication systems.....	14,449.00	12,783.09	1,665.91
249 Signals and interlockers.....	20,334.03	22,119.90	-1,785.87
265 Miscellaneous structures.....		726.69	-726.69
266 Road property—Depreciation.....	104,479.23	102,363.24	2,115.99
267 Retirements—Road.....	7,449.52	14,135.44	-6,685.92
269 Roadway machines.....	19,976.99	18,096.77	1,880.22
270 Dismantling retired road property.....	6,946.45	2,325.18	4,621.27
271 Small tools and supplies.....	9,164.93	11,397.31	-2,232.38
273 Public improvements—Maintenance.....	6,272.69	11,112.21	-4,839.52
274 Injuries to persons.....	2,427.52	1,731.52	696.00
275 Insurance.....	937.50	540.06	397.44
276 Stationery and printing.....	572.21	579.89	-7.68
277 Employees health and welfare benefits.....	9,895.08	10,378.34	-483.26
278 Maintaining joint tracks, yards and other facilities—Debit.....	90,917.35	95,112.85	-4,195.50
279 Maintaining joint tracks, yards and other facilities—Credit.....	-5,932.86	-5,697.52	-235.34
282 Other expenses.....	14.79	343.78	-328.99
Total.....	457,272.52	453,785.40	3,487.12
Maintenance of Equipment:			
301 Superintendence.....	20,841.48	22,286.96	-1,445.48
311 Other locomotives—Repairs.....	166,255.12	153,006.19	13,248.93
314 Freight train cars—Repairs.....	199,633.41	198,338.37	1,295.04
317 Passenger train cars—Repairs.....	58,863.05	72,641.83	-13,778.78
326 Work equipment—Repairs.....	2,221.97	1,659.83	562.14
328 Miscellaneous equipment—Repairs.....	6,374.81	3,725.29	2,649.52
330 Retirements—Equipment.....	-4,230.16		-4,230.16
331 Equipment—Depreciation.....	174,410.80	183,542.36	-9,131.56
332 Injuries to persons.....	1,964.28	1,959.40	4.88
333 Insurance.....	2,678.46	2,023.27	655.19
334 Stationery and printing.....	732.58	541.49	191.09
335 Employees health and welfare benefits.....	14,556.23	16,204.08	-1,647.85
336 Joint maintenance of equipment expenses—Debit.....	19,594.61	15,871.98	3,722.63
337 Joint maintenance of equipment expenses—Credit.....	-1,348.86	-1,342.08	678
339 Other expenses.....	22.42	9.69	12.73
Total.....	662,570.20	670,468.66	-7,898.46
Traffic:			
351 Superintendence.....	60,328.27	59,117.25	1,211.02
352 Outside agencies.....	132,482.35	140,051.20	-7,568.85
353 Advertising.....	1,924.57	2,884.66	-960.09
354 Traffic associations.....	3,705.25	3,469.43	235.82
356 Industrial and immigration bureaus.....	9,839.02	11,466.48	-1,627.46
357 Insurance.....	100.91	72.04	28.87
358 Stationery and printing.....	12,177.98	14,648.05	-2,470.07
359 Employees health and welfare benefits.....	9,740.10	9,033.47	706.63
360 Other expenses.....		3.62	-3.62
Total.....	\$ 230,298.45	\$ 240,746.20	\$ -10,447.75

—Decrease.

OPERATING EXPENSES

ACCOUNT	1967	1966	Increase or Decrease
Transportation—Rail Line:			
371 Superintendence	\$ 32,256.37	\$ 30,588.63	\$ 1,667.74
372 Dispatching trains	15,841.34	15,750.53	90.81
373 Station employees	145,882.60	173,649.63	-27,767.03
374 Weighing, inspection and demurrage bureaus	7,740.37	6,504.13	1,236.24
376 Station supplies and expenses	7,157.01	8,322.42	-1,165.41
378 Yard conductors and brakemen	47,948.17	45,644.65	2,303.52
380 Yard enginemen	28,602.31	29,221.39	-619.08
382 Yard switching fuel	2,569.58	4,216.18	-1,646.60
386 Lubricants for yard locomotives	34.06	108.76	-74.70
387 Other supplies for yard locomotives	118.83	161.88	-43.05
388 Enginehouse expenses—Yard	6.95		6.95
389 Yard supplies and expenses		5.75	-5.75
390 Operating joint yards and terminals—Debit	494,598.41	525,509.17	-30,910.76
391 Operating joint yards and terminals—Credit	-73,608.73	-76,333.39	2,724.66
392 Train enginemen	130,011.98	141,595.84	-11,583.86
394 Train fuel	115,270.54	146,828.13	-31,557.59
397 Water for train locomotives	1,386.08	856.24	529.84
398 Lubricants for train locomotives	9,299.98	9,673.16	-373.18
399 Other supplies for train locomotives	2,438.36	2,584.96	-146.60
400 Enginehouse expenses—Train	48,659.88	54,860.61	-6,200.73
401 Trainmen	211,062.43	224,742.83	-13,680.40
402 Train supplies and expenses	59,104.22	62,034.85	-2,930.63
403 Operating sleeping cars	27,281.41	34,280.07	-6,998.66
404 Signal and interlocker operation	9,306.49	8,898.70	407.79
405 Crossing protection	714.50	-77.83	792.33
407 Communication system operation	6,904.41	5,360.48	1,543.93
409 Employees health and welfare benefits	26,595.21	28,613.42	-2,018.21
410 Stationery and printing	6,785.37	5,669.74	1,115.63
411 Other expenses	221.28	99.60	121.68
412 Operating joint tracks and facilities—Debit	20,523.33	20,698.19	-174.86
413 Operating joint tracks and facilities—Credit	-8,412.55	-8,320.00	-92.55
414 Insurance	10,932.10	7,882.14	3,049.96
415 Clearing wrecks	4,530.76	5,193.19	-662.43
416 Damage to property	4,479.26	5,455.86	-976.60
418 Loss and damage—Freight	26,518.25	28,984.48	-2,466.23
419 Loss and damage—Baggage	59.52	10.65	48.87
420 Injuries to persons	47,066.94	31,001.75	16,065.19
Total	1,469,887.02	1,580,276.79	-110,389.77
Miscellaneous Operations:			
441 Dining and buffet service	35,723.61	30,979.09	4,744.52
449 Employees health and welfare benefits	895.60	710.03	185.57
Total	36,619.21	31,689.12	4,930.09
General:			
451 Salaries and expenses of general officers	39,528.21	39,752.69	-224.48
452 Salaries and expenses of clerks and attendants	120,248.89	118,989.18	1,259.71
453 General office supplies and expenses	20,530.56	18,553.68	1,976.88
454 Law expenses	12,045.25	10,521.29	1,523.96
455 Insurance	106.69	101.08	5.61
456 Employees health and welfare benefits	8,366.94	8,426.63	-59.69
457 Pensions	14,277.45	10,042.47	4,234.98
458 Stationery and printing	12,170.61	11,079.65	1,090.96
460 Other expenses	5,131.22	5,700.04	-568.82
461 General joint facilities—Debit	11,988.17	12,869.61	-881.44
Total	244,393.99	236,036.32	8,357.67
Total railway operating expenses	\$ 3,101,041.39	\$ 3,213,002.49	\$ -111,961.10
Ratio of operating expenses to operating revenues	84.90	84.70	0.20

—Decrease.

RAILWAY OPERATING REVENUES

YEAR ENDED DECEMBER 31	Freight	Passenger	Mail	Express	All Other Transportation	Incidental	Joint Facility- Credit	Joint Facility- Debit	Total Railway Operating Revenues
1958	\$2,718,845.76	\$ 286,998.28	\$ 241,616.42	\$ 162,880.15	\$ 74,546.85	\$ 75,120.84	\$ 98,352.37	\$ 98.36	\$3,658,262.31
1959	2,878,895.10	260,690.17	222,552.02	211,151.19	71,607.23	78,827.36	91,168.70	131.84	3,814,759.93
1960	2,792,647.11	262,142.70	203,783.66	179,453.23	67,308.09	88,203.03	78,209.72	104.18	3,671,643.36
1961	2,720,426.20	247,665.21	229,351.50	143,168.38	39,397.04	77,232.92	77,011.46	127.02	3,534,125.69
1962	2,636,943.56	257,875.55	231,136.49	100,390.20	30,637.39	80,753.16	76,620.56	126.19	3,414,230.72
1963	2,656,269.83	235,885.30	239,467.12	94,161.19	26,395.94	74,966.61	73,854.06	124.79	3,400,875.26
1964	2,755,142.60	208,329.02	233,790.94	102,015.82	27,187.94	87,754.06	75,723.86	133.29	3,489,810.95
1965	2,901,128.90	176,887.05	211,159.64	97,081.58	22,872.95	79,019.31	73,338.30	145.16	3,561,342.57
1966	3,106,766.46	170,936.78	199,563.64	111,754.64	25,934.53	97,332.06	81,114.36	150.36	3,793,252.11
1967	3,192,310.81	97,091.63	104,941.90	82,851.69	22,728.48	95,195.64	57,629.07	204.92	3,652,544.33

RAILWAY OPERATING EXPENSES AND NET REVENUE FROM RAILWAY OPERATIONS

YEAR ENDED DECEMBER 31	Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Transportation	Miscellaneous	General	Total Railway Operating Expenses	Net Revenue From Railway Operations	Ratio Operating Expenses to Operating Revenues
1958	\$ 444,763.18	\$ 620,883.96	\$ 203,234.04	\$1,751,067.41	\$ 37,237.98	\$ 217,418.78	\$3,274,605.35	\$ 383,656.96	89.51
1959	504,720.90	625,446.24	215,700.16	1,608,153.81	40,835.95	217,748.54	3,212,605.60	602,154.33	84.22
1960	475,714.42	594,053.50	218,400.72	1,559,452.04	40,066.95	228,566.47	3,116,254.10	555,389.26	84.87
1961	406,862.22	574,269.28	226,446.56	1,519,164.02	41,173.42	216,359.15	2,984,274.65	549,851.04	84.44
1962	449,873.43	571,609.85	231,871.30	1,505,374.71	40,297.59	219,939.14	3,018,966.02	395,264.70	88.42
1963	410,192.47	659,895.45	216,847.71	1,474,871.32	41,972.46	218,376.84	3,022,156.25	378,719.01	88.86
1964	435,764.08	689,477.98	220,600.54	1,534,143.40	32,972.94	217,375.31	3,130,334.25	359,476.70	89.70
1965	441,221.32	687,772.14	235,101.08	1,547,499.64	24,852.56	236,909.73	3,173,356.47	387,986.10	89.11
1966	453,785.40	670,468.66	240,746.20	1,580,276.79	31,689.12	236,036.32	3,213,002.49	580,249.62	84.70
1967	457,272.52	662,570.20	230,298.45	1,469,887.02	36,619.21	244,393.99	3,101,041.39	551,502.94	84.90

CLASSIFICATION OF FREIGHT TRAFFIC

COMMODITY	1967		1966		Increase or Decrease Tons
	No. of Tons	Pct. to Total Tons	No. of Tons	Pct. to Total Tons	
Farm Products.....	191,709	5.87	198,527	6.34	-6,818
Forest Products.....	6,042	.19	6,556	.21	-514
Fish and Other Marine Products.....	793	.02	740	.02	53
Metallic Ores.....	213,223	6.53	230,410	7.36	-17,187
Coal.....	23,996	.74	23,759	.76	237
Crude Petroleum, Natural Gas and Natural Gasoline.....	50				50
Nonmetallic Minerals, Except Fuels.....	514,212	15.74	502,703	16.05	11,509
Ordnance and Accessories.....	22,765	.70	314	.01	22,451
Foods and Kindred Products.....	232,910	7.13	256,091	8.18	-23,181
Tobacco Products.....	4,042	.12	4,069	.13	-27
Basic Textiles.....	20,389	.63	29,855	.95	-9,466
Apparel and Other Finished Textile Products, including Knitted.....	1,759	.05	1,553	.05	206
Lumber and Wood Products, except Furniture.....	230,729	8.59	239,350	7.64	41,379
Furniture and Fixtures.....	8,213	.25	8,448	.27	-235
Pulp, Paper and Allied Products.....	322,793	9.88	303,049	9.67	19,744
Printed Matter.....	451	.01	638	.02	-187
Chemicals and Allied Products.....	623,300	19.08	527,951	16.85	95,349
Petroleum and Coal Products.....	195,125	5.97	205,553	6.56	-10,428
Rubber and Miscellaneous Plastic Products.....	6,758	.21	20,579	.66	-13,821
Leather and Leather Products.....	73				73
Stone, Clay and Glass Products.....	334,665	10.25	287,585	9.18	47,080
Primary Metal Products.....	81,360	2.49	89,792	2.87	-8,432
Fabricated Metal Products, except Ordnance Machinery and Transportation.....	35,401	1.08	50,011	1.60	-14,610
Machinery, except Electrical.....	9,971	.31	11,959	.38	-1,988
Electrical Machinery, Equipment and Supplies.....	7,051	.22	8,535	.27	-1,484
Transportation Equipment.....	28,553	.88	28,493	.91	70
Instruments, Photographic and Optical Goods, Watches and Clocks.....	29		10		19
Miscellaneous Products of Manufacturing.....	2,554	.08	2,674	.09	-120
Waste and Scrap Material.....	88,789	2.72	84,618	2.70	4,171
Miscellaneous Freight Shipments.....	1,423	.04	1,968	.06	-545
Containers, Shipping, Returned Empty.....	751	.02	737	.02	14
Freight Forwarder Traffic.....	22				22
Shipper Association or Similar Traffic.....	2,823	.09	1,613	.05	1,210
Miscellaneous Mixed Shipments, except Forwarder and Shipper Association.....	2,320	.07	2,082	.07	238
Grand Total Carload Traffic.....	3,265,054	99.96	3,130,222	99.93	134,832
Small Packaged Freight Shipments.....	1,399	.04	2,298	.07	-899
Grand Total Carload and LCL Traffic.....	3,266,453	100.00	3,132,520	100.00	133,933

—Decrease

FREIGHT AND PASSENGER STATISTICS

FREIGHT TRAFFIC	1967	1966	Increase or Decrease	
			Amount	Percent
1 Number of tons carried.....	3,266,453	3,132,520	133,933	4.28
2 Number of tons carried one mile.....	232,062,616	226,088,411	5,974,205	2.64
3 Number of tons per mile of road (Average).....	36,117	34,636	1,481	4.28
4 Number of tons carried one mile per mile of road.....	2,565,929	2,499,872	66,057	2.64
5 Number of tons in each train (Average).....	1,246.26	1,183.42	62.84	5.31
6 Number of tons in each loaded car (Average).....	34.73	31.04	3.69	11.89
7 Average distance one ton carried (Miles).....	71.04	72.17	-1.13	-1.57
8 Revenue per ton per mile.....	\$ 0.1376	\$ 0.01374	\$ 0.0002	0.15
9 Revenue per mile of road.....	35,297.55	34,351.69	945.86	2.75
10 Revenue per freight train mile.....	22.17	22.05	.12	0.54
11 Revenue per freight car mile—Loads.....	0.61912	0.57853	0.04059	7.02
12 Revenue per freight car mile—Total.....	0.37818	0.36511	0.01307	3.58
13 Revenue per ton.....	0.98	0.99	-0.01	-1.01
PASSENGER TRAFFIC				
1 Number of passengers carried.....	37,129	65,142	-28,013	-43.00
2 Number of passengers carried one mile.....	3,073,131	5,409,217	-2,336,086	-43.19
3 Number of passengers per mile of road (Average).....	431	757	-326	-43.06
4 Number of pass. carried one mile per mile of road.....	35,701	62,839	-27,138	-43.19
5 Number of passengers in each train (Average).....	51	50	1	2.00
6 Number of passengers in each car (Average).....	15	15		
7 Average distance each passenger (Miles).....	82.77	83.04	-.27	-.33
8 Passenger service train revenue per mile of road.....	\$ 3,312.21	\$ 5,609.06	\$ -2,296.85	-40.95
9 Passenger service train revenue per pass. train mile.....	4.55	4.31	.25	5.80
10 Passenger service train revenue per pass. car mile.....	0.45687	0.47471	-0.01784	-3.76
11 Revenue per passenger per mile.....	0.03159	0.03160	-0.00001	-.32
12 Revenue per passenger.....	2.61	2.62	-.01	-.38
ALL TRAFFIC				
Railway operating revenues per mile of road.....	\$ 40,386.38	\$ 40,652.15	\$ -265.77	-.65
Railway operating revenues per revenue train mile.....	17.71	15.00	2.71	18.07
Railway operating expenses per mile of road.....	\$ 34,288.38	\$ 34,433.64	\$ -145.26	-.42
Railway operating expenses per revenue train mile.....	15.04	12.71	2.33	18.33
Per cent of railway operating expenses to oper. revenue.....	84.90	84.70	.20	.24
Net revenue per mile of road.....	\$ 6,098.00	\$ 6,218.51	\$ -120.51	-1.94
Net revenue per revenue train mile.....	2.67	2.29	.38	16.59
Per cent of net revenue to total revenue.....	15.10	15.30	-.20	-1.31
Railway operating expenses and taxes per mile of road.....	\$ 36,720.56	\$ 36,818.54	\$ -97.98	-.27
Railway operating expenses and taxes per rev. train mile.....	16.11	13.59	2.52	18.54
Per cent of operating expenses and taxes to total revenues.....	90.92	90.57	.35	.39

—Decrease.

TRAIN, LOCOMOTIVE AND CAR MILES

CLASS		1967	1966	Increase or Decrease
TRAIN MILES				
801	Freight.....	143,690	140,874	2,816
802	Passenger.....	62,500	112,006	—49,506
	Total Revenue Service Train Miles.....	206,190	252,880	—46,690
805	Non-Revenue Service Train Miles.....	288	632	—344
	TOTAL TRAIN MILES	206,478	253,512	—47,034
LOCOMOTIVE MILES				
811	Freight—Principal.....	143,690	140,874	2,816
	Freight—Trailing Units.....	217,669	229,691	—12,022
812	Passenger—Principal.....	62,500	112,006	—49,506
	Passenger—Trailing Units.....	64,382	145,775	—81,393
	Passenger—Light.....	4,452	9,053	—4,601
815	Switching—Train.....	54,649	54,927	—278
816	Switching—Yard—Freight.....	25,286	30,191	—4,905
	Total Revenue Locomotive Miles.....	572,628	722,517	—149,889
817	Non-Revenue Locomotive Miles.....	378	632	—254
	TOTAL LOCOMOTIVE MILES	573,006	723,149	—150,143
FREIGHT CAR MILES				
821	Freight Loaded.....	5,156,237	5,370,132	—213,895
	Freight Empty.....	3,160,165	3,010,396	149,769
	System Caboose.....	124,830	128,423	—3,593
	Freight Car Miles in Passenger Trains.....		256	—256
	Total Freight Car Miles.....	8,441,232	8,509,207	—67,975
PASSENGER CAR MILES				
822	Passenger Coaches.....	90,543	181,775	—91,232
	Sleeping and Parlor Cars.....	124,318	197,760	—73,442
	Club, Lounge, Dining and Observation.....	63,185	63,612	—427
	Business.....	1,198	2,224	—1,026
	Mail, Express and Baggage.....	344,821	571,738	—226,917
	Total Passenger Car Miles.....	624,065	1,017,109	—393,044
	Total Revenue Car Miles.....	9,065,297	9,526,316	—461,019
825	Non-Revenue Service Car Miles.....	1,752	3,368	—1,616
	TOTAL CAR MILES	9,067,049	9,529,684	—462,635

—Decrease

PROPERTIES—ROAD, EQUIPMENT AND GENERAL

	Total	Road	Equipment	Other
Balance, January 1, 1967.....	\$11,282,114.77	\$ 7,017,476.84	\$ 5,350,880.58	\$-1,086,242.65
Additions.....	1,030,664.17	131,177.20	218,884.21	680,602.76
Total.....	12,312,778.94	7,148,654.04	5,569,764.79	-405,639.89
Retirements.....	1,056,056.31	176,259.87	242,575.09	637,221.35
Balance, December 31, 1967.....	\$11,256,722.63	\$ 6,972,394.17	\$ 5,327,189.70	-1,042,861.24

Principal additions to property consisted of the following:

ROAD:

Increased weight of rail and track fixtures.....	\$ 63,449
Flashing light signal, Fairburn, Ga.....	4,771
	<u>\$ 68,220</u>

EQUIPMENT:

One G. P. 40 diesel electric locomotive.....	<u>\$216,334</u>
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INVESTMENT IN ROAD, EQUIPMENT AND GENERAL FOR YEAR ENDED DECEMBER 31, 1967

ROAD	Additions	Retirements	Net Total
1 Engineering.....	\$ 140.00	\$ 426.60	\$ -286.60
3 Grading.....	5,558.63	830.86	4,727.77
6 Bridges, trestles and culverts.....	4,245.12	211.42	4,033.70
8 Ties.....	8,447.78	20,598.47	-12,150.69
9 Rails.....	47,348.58	47,083.36	265.22
10 Other track material.....	32,067.72	41,849.48	-9,781.76
11 Ballast.....	3,726.76	975.74	2,751.02
12 Track laying and surfacing.....	8,956.35	18,769.02	-9,812.67
16 Station and office buildings.....		37,797.92	-37,797.92
26 Communication systems.....	1,127.76		1,127.76
27 Signals and interlockers.....	16,502.75	7,717.00	8,785.75
39 Public improvements—Construction.....	3,055.75		3,055.75
Total expenditures for road.....	131,177.20	176,259.87	-45,082.67
EQUIPMENT			
52 Other locomotives.....	216,334.24	169,413.87	46,920.37
53 Freight-train cars.....		14,392.21	-14,392.21
54 Passenger-train cars.....		58,769.01	-58,769.01
57 Work equipment.....	2,228.10		2,228.10
58 Miscellaneous equipment.....	321.87		321.87
Total expenditures for equipment.....	218,884.21	242,575.09	-23,690.88
GENERAL AND OTHER			
Work in progress.....	565,318.63	637,221.35	-71,902.72
Miscellaneous.....	115,284.13		115,284.13
Total expenditures for general and other.....	680,602.76	637,221.35	43,381.41
TOTAL	<u>\$1,030,664.17</u>	<u>\$1,056,056.31</u>	<u>\$ -25,392.14</u>

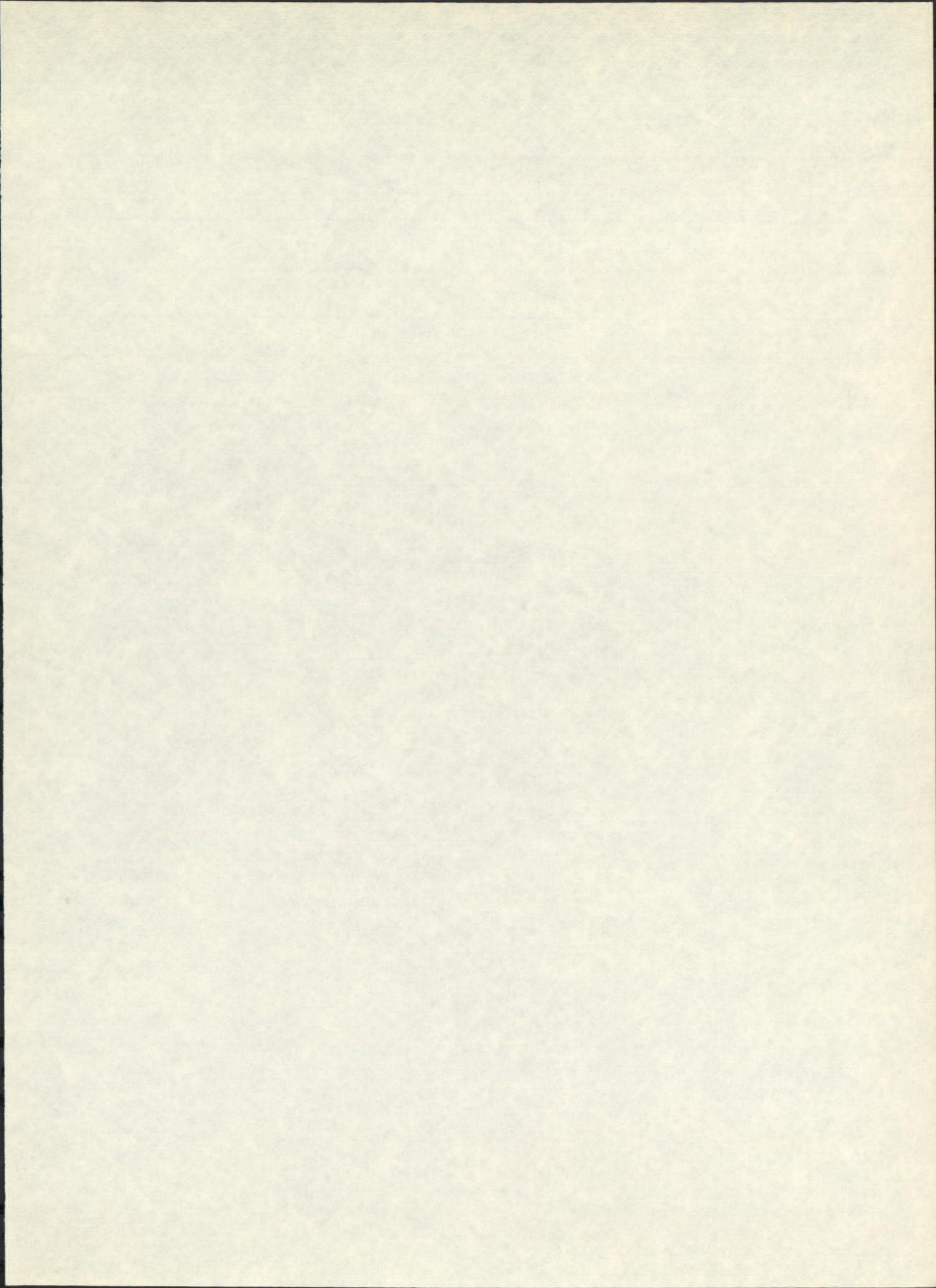
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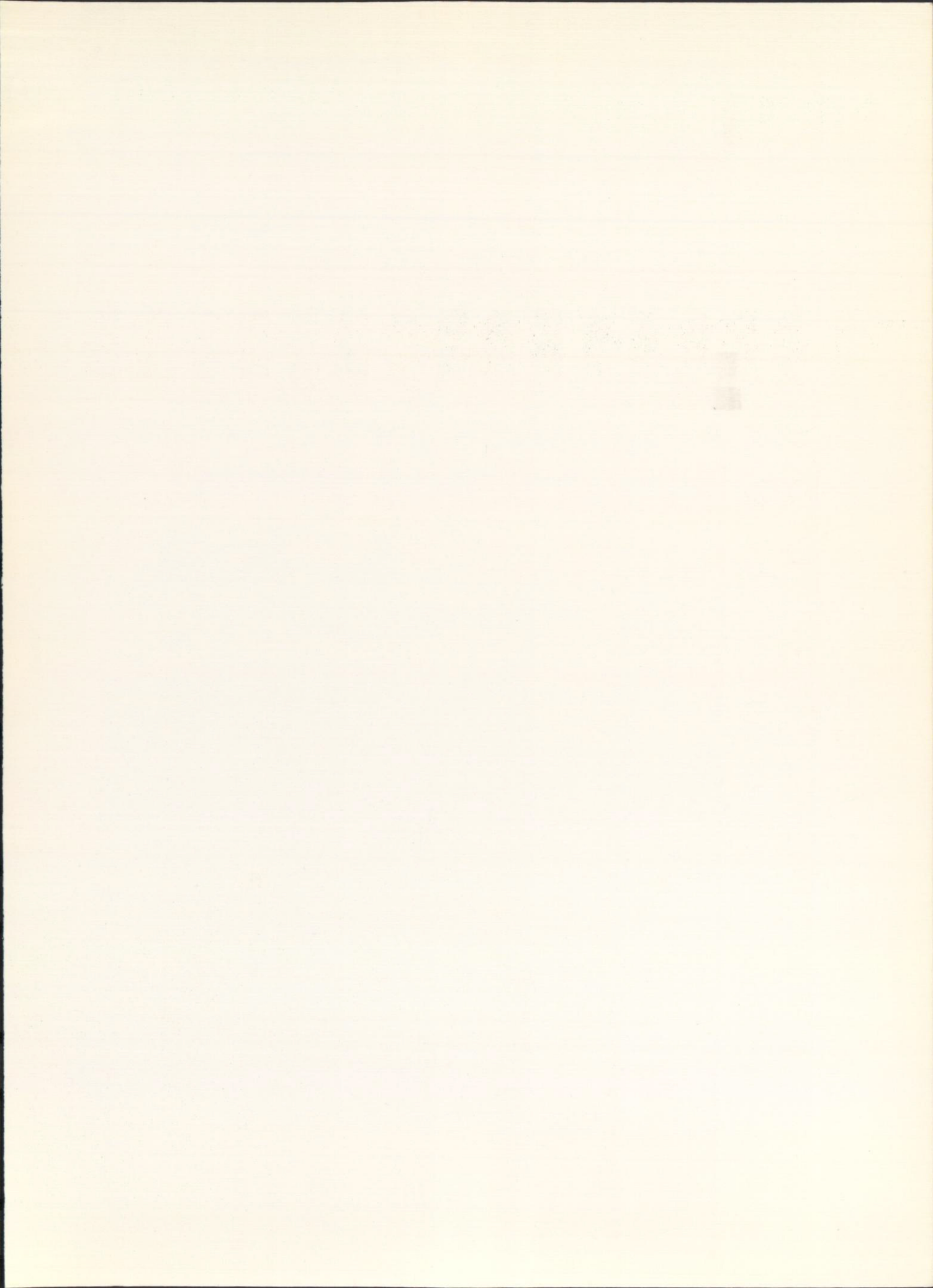
EQUIPMENT OWNED
December 31, 1963 to 1967

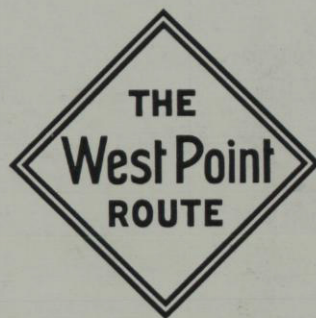
	1967	1966	1965	1964	1963
Diesel Locomotive Units	10	10	10	11	11
Average Age (Years).....	15.10	15.90	14.90	13.81	12.81
Freight Train Cars:					
Box.....	375	378	385	343	344
Flat.....	19	20	22	22	22
Gondola.....	24	24	24	24	52
Hopper.....	72	72	73	75	75
Racks.....	45	45	45	45	45
Caboose.....	5	6	6	6	6
Total Freight Equipment.....	540	545	555	515	544
Tonnage Capacity of Freight Equipment.....	31,065	31,246	28,970	25,986	27,860
Average Age (Years).....		17.95	17.14	18.62	18.07
Passenger Train Cars:					
Coaches.....	1	3	6	6	6
Sleeping.....	1	1	1	4	4
Dining.....	1	1	1	1	1
Combination Mail and Baggage.....	1	1	1	1	1
Baggage, Express and other Non-Passenger Carrying Cars.....	2	2	2	7	7
Total Passenger Train Equipment.....	6	8	11	19	19
Investment in Above Equipment:					
(December 31).....	\$ 5,225,542	\$ 5,251,751	\$ 5,389,813	\$ 4,853,493	\$ 4,943,208
Investment in Company Service Equipment.....	101,648	99,130	100,073	97,493	100,304
Total Investment in Equipment	\$ 5,327,190	\$ 5,350,881	\$ 5,489,886	\$ 4,950,986	\$ 5,043,512

EQUIPMENT OBLIGATIONS, DECEMBER 31, 1967

Description and Date	Amount	Unpaid Dec. 31, 1967	Installments Payable	Interest Rate Percent	Final Payment Due or Paid	Matured or Paid During Year 1967
Conditional Sale Agreements:						
April 1, 1952.....	\$ 413,100.00		Monthly	3.00	Oct. 19, 1967	\$ 21,930.00
October 1, 1952.....	151,800.00		Quarterly	3.25	Nov. 1, 1967	10,120.00
February 15, 1956.....	220,823.79	\$ 49,220.49	Monthly	3.35	July 1, 1971	14,921.28
February 15, 1956.....	242,601.15	52,561.08	Monthly	3.35	Apr. 1, 1971	16,172.64
October 10, 1960.....	248,400.00	132,480.00	Quarterly	4.50	Jan. 1, 1976	16,560.00
April 16, 1963.....	236,400.00	165,480.00	Quarterly	4.20	May 1, 1978	15,760.00
February 9, 1965.....	114,011.10	93,742.30	Monthly	4.50	May 1, 1980	7,600.80
May 19, 1965.....	655,524.00	549,911.80	Monthly	4.75	Aug. 1, 1980	43,701.60
May 2, 1967.....	42,840.00	35,700.00	Quarterly	5.50	May 1, 1970	7,140.00
May 2, 1967.....	171,360.00	171,360.00	Quarterly	5.75	May 1, 1982	
Total	\$ 2,496,860.04	\$ 1,250,455.67				\$ 153,906.32







ATLANTA AND WEST POINT RAIL ROAD COMPANY/4 HUNTER ST./ATLANTA, GA.